

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana  
**FINANCIAL REPORT**

June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-10-07

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Council's 2005 financial statements and, in our report dated September 15, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2006, on our consideration of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
October 28, 2006

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

June 30, 2006  
(with comparative amounts for 2005)

<b>ASSETS</b>		
	<u>2006</u>	<u>2005</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 325,121	\$ 94,237
Investments	-	118,576
Receivables:		
CFA Campaign, net	196,605	107,581
Grants and other	149,335	203,393
Prepaid expenses	<u>2,376</u>	<u>14,047</u>
Total current assets	673,437	537,834
<b>RESTRICTED ASSETS</b>		
Restricted cash	5,454	6,066
<b>EQUIPMENT, net</b>	<u>25,603</u>	<u>41,301</u>
Total assets	<u>\$ 704,494</u>	<u>\$ 585,201</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,406	\$ 3,202
Due to grant recipients	365,291	303,705
Accrued expenses and other liabilities	16,331	25,323
Deferred revenues	<u>187,388</u>	<u>161,424</u>
Total current liabilities	571,416	493,654
<b>ASSETS HELD FOR OTHERS - Payable from restricted assets</b>	<u>5,454</u>	<u>6,066</u>
Total liabilities	<u>576,870</u>	<u>499,720</u>
<b>NET ASSETS</b>		
Unrestricted	101,215	85,481
Temporarily restricted	<u>26,409</u>	<u>-</u>
Total net assets	<u>127,624</u>	<u>85,481</u>
Total liabilities and net assets	<u>\$ 704,494</u>	<u>\$ 585,201</u>

The accompanying notes to financial statements  
are an integral part of this statement.

## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2006  
(with comparative amounts for 2005)

	Unrestricted	Temporarily Restricted	Totals	
			2006	2005
<b>SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>				
<b>Contributions</b>				
CFA Campaign and Workplace Giving	\$ -	\$ 377,593	\$ 377,593	\$ 378,751
Fund Raisers/Gifts	5,110	78,560	83,670	34,651
Membership	51,113	-	51,113	-
CFAC Gala, net of expenses	28,412	10,000	38,412	21,204
In-kind contributions	6,710	-	6,710	25,500
	<u>91,345</u>	<u>466,153</u>	<u>557,498</u>	<u>460,106</u>
<b>Grants and Contractual Services</b>				
Municipal/parish	138,016	-	138,016	137,955
State of Louisiana	511,572	-	511,572	551,113
Community Fund for the Arts	50,721	-	50,721	60,310
School System and other	34,805	-	34,805	59,794
	<u>735,114</u>	<u>-</u>	<u>735,114</u>	<u>809,172</u>
<b>Other</b>				
Interest	1,823	-	1,823	5,092
Special events, net of expenses	55,293	-	55,293	41,319
Recovery of bad debts	-	-	-	6,154
Miscellaneous	91,335	-	91,335	61,360
Net assets released from restrictions	439,744	(439,744)	-	-
	<u>588,195</u>	<u>(439,744)</u>	<u>148,451</u>	<u>113,925</u>
Total support, revenue and reclassifications	<u>1,414,654</u>	<u>26,409</u>	<u>1,441,063</u>	<u>1,383,203</u>
<b>EXPENSES</b>				
Grants to CFA - recipient organizations	286,731	-	286,731	280,850
Designated CFA sponsorships	78,560	-	78,560	22,855
Programs and development	673,967	-	673,967	766,940
General and administrative	359,662	-	359,662	446,062
	<u>1,398,920</u>	<u>-</u>	<u>1,398,920</u>	<u>1,516,707</u>
Change in net assets	15,734	26,409	42,143	(133,504)
<b>NET ASSETS</b>				
Beginning of period	<u>85,481</u>	<u>-</u>	<u>85,481</u>	<u>218,985</u>
End of period	<u>\$ 101,215</u>	<u>\$ 26,409</u>	<u>\$ 127,624</u>	<u>\$ 85,481</u>

The accompanying notes to financial statements  
are an integral part of this statement.

## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

Baton Rouge, Louisiana

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2006  
(with comparative amounts for 2005)

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 42,143	\$ (133,504)
Adjustments to change in net assets:		
Depreciation	17,653	19,724
Change in allowance for uncollectible pledges	10,819	18,127
Changes in operating assets and liabilities:		
CFA Campaign receivables	(99,843)	(38,602)
Grant receivables, prepaid expenses, and other assets	65,729	1,361
Accounts payable and other liabilities	(9,788)	5,314
Amounts due to grant recipients	61,586	(36,027)
Deferred revenues	25,964	5,433
Net cash provided (used) by operating activities	114,263	(158,174)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in fixed assets	(1,955)	(2,855)
Net changes in investments	118,576	53,028
Net cash provided by investing activities	116,621	50,173
Net increase (decrease) in cash	230,884	(108,001)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	94,237	202,238
End of year	\$ 325,121	\$ 94,237

The accompanying notes to financial statements  
are an integral part of this statement.

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

The Arts Council of Greater Baton Rouge, Inc. (the Council) was founded in 1973 to serve the City of Baton Rouge, East Baton Rouge Parish and surrounding parishes. The mission of the Council is to enhance the quality of life of the community through the arts. In addition, the Council conducts an annual united fund drive for participating arts organizations.

**Basis of presentation**

The financial statements of the Council have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

The Council reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Council does not have permanently restricted net assets.

The statement of activities presents expenses of the Council's operations functionally between grants, sponsorships, program services, and general and administrative.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used primarily when accounting for the allowance for uncollected pledges, prepaid assets, depreciation, deferred revenues and in-kind revenue. Actual results could differ from those estimates.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and cash equivalents**

The Council considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents at June 30, 2006.

**Investments**

Time certificates of deposits are recorded at cost, which approximates market value. There were no certificates of deposits at June 30, 2006.

**Promises to give**

The Council reports contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Allowance for uncollectible pledges**

An allowance for uncollectible pledges is provided based on management's best estimate of uncollectible pledges. At June 30, 2006, the allowance for uncollectible pledges was \$15,181.

The Council does not require collateral on its accounts receivables. At June 30, 2006, receivables outstanding for longer than 90 days totaled \$29,766. The majority of these receivables relate to government grant funding and were collected subsequent to year-end.

The Council uses the allowance method to determine uncollectible unconditional pledges and accounts receivable. The allowance is based on prior years' experience and management's analysis of specific pledges and accounts receivables.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grant recognition**

Grants that represent exchange transactions are recorded as a receivable when the grant is formally committed. Grants committed at year end which are applicable to the subsequent fiscal period are included in grants receivable and deferred income.

The Council receives grants which apply to programs whose duration extends into the subsequent year. Revenue is recognized on these grants each fiscal year based on a ratio of expenses incurred during the year to the total projected expenses of the program. At June 30, the unexpended portion of the grant is deferred. In the case of grants received for general operations that apply to a designated time period, income is recognized on a pro-rata basis.

Grants that represent contributed support are recognized in the same manner as promises to give.

**Equipment and leasehold improvements**

Equipment and leasehold improvements are recorded at cost.

Depreciation of equipment and leasehold improvements is computed using the straight-line method over the estimated useful lives of the assets.

**Restricted net assets**

Temporarily restricted net assets include contributions generated by an annual campaign for support, which are designated to fund operations of participating arts organizations. When the funds are committed to each arts organization, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Vacation leave**

Vacation leave is earned at varying rates for two to three weeks per year depending on length of service. A maximum of ten days of unused vacation leave can be carried over at December 31. Accordingly, amounts related to such vacation leave have been accrued.

**Income taxes**

The Council is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contractual services**

The Council contracts with local municipalities and school systems to provide educational services and cultural development to residents and school children, organizations and the community. The Council records contractual services as receivables, at the time the services are provided to the recipients.

**Fair value of financial instruments**

The carrying value of cash, most receivables, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

**Donated facilities and furniture**

The Council utilizes, without charge, certain premises owned by the City-Parish government. The annual fair rental value of the premises and the furniture is estimated to be \$100,000. This item is not reflected as support and expense in the financial statements.

**In-kind services and materials**

Material in-kind items used in the Council's special events are recorded as income and expense at the time the items are received, which is normally also the time they are placed into service. For the year ended June 30, 2006, the Council recognized approximately \$6,710 from donated services.

A substantial number of unpaid volunteers have made a significant contribution of their time to develop the Council's programs, principally in fund raising activities, educational projects, operations, and board participation. The value of this donated time is not reflected in these statements since no objective basis for measurement or valuation is available.

**NOTE 2 - EQUIPMENT**

Equipment of \$142,586 has an estimated service life of three to five years and accumulated depreciation of \$116,983. Depreciation expense was \$17,653 for the year ended June 30, 2006.

**NOTE 3 - ASSETS HELD FOR OTHERS**

The Council receives assets, primarily contributions that are designated for other organizations. As such, the Council has no discretion in distributing such assets. Assets held for others at June 30, 2006 were as follows:

	<u>Amount</u>
LA Partnership	\$ 2,635
Community Room	1,102
Katrina Relief	<u>1,717</u>
	<u>\$ 5,454</u>

The assets held for others are to be utilized for community projects that are related to art and hurricane relief.

**NOTE 4 - RETIREMENT PLAN**

The Council offers retirement benefits through simple individual retirement accounts for eligible employees electing to establish the account. The Council provides matching contributions of 3% of eligible compensation. Participants are fully vested in contributions made to their individual retirement account. During the year ended June 30, 2006, the Council contributed \$7,349.

**NOTE 5 - FUND RAISING INCOME AND EXPENSES**

The Council has an annual Gala kick-off for the Community Fund for the Arts Campaign and an arts festival, Lollapalooza. The income and expenses, including in-kind contributions, attributable to the Gala were \$43,548 and \$5,136, respectively.

**NOTE 6 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments which subject the Council to concentrations of credit risk consist primarily of cash and cash equivalents. The Council typically maintains these balances in local banks that may, at times, exceed the FDIC limits. Concentrations of credit risk for receivables are generally diversified due to the large number of entities and individuals composing the Council's programs and donor base.

The Council solicits a majority of funds from individual and corporate contributors in the Baton Rouge area. The Council also receives grants from the City of Baton Rouge and the State of Louisiana, which are significant.

**NOTE 7 - GRANTS TO PARTICIPATING AGENCIES**

For the year ended June 30, 2006, grant allocations were designated to the following participating arts organizations.

	<u>Amount</u>
Louisiana Symphony	\$ 105,470
Louisiana Arts and Science Center	56,024
Arts Council of Greater Baton Rouge - Arts Education	50,721
WRKF Public Radio	28,328
Louisiana Sinfonietta	19,012
Baton Rouge Ballet Theater	18,622
Baton Rouge Little Theater	16,941
Swine Palace	14,899
Foundation for Historical Louisiana	13,368
Playmakers of Baton Rouge	12,620
Baton Rouge Gallery	10,014
Of Moving Colors	7,768
Tourgee DeBose National Piano Competition	7,740
Magnolia Mound	3,764
	<u>\$ 365,291</u>

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent to June 30, 2006 the Council received operating grants of \$100,000 for the purpose of supplementing personnel costs.

**Special Independent Auditors' Reports**  
**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

June 30, 2006



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of **ARTS COUNCIL OF GREATER BATON ROUGE (COUNCIL)** (a non-profit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 28, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that, in our judgment, could adversely affect the Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as Items 2006-1 and 2006-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, the reportable conditions described above are also considered to be material weaknesses as defined above.

## Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
October 28, 2006

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2006

**A) SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Arts Council of Greater Baton Rouge, Inc.
2. There were no instances of noncompliance material to the financial statements in relation to this audit.
3. There are two internal control findings that are described in Items 2006-1 and 2006-2.

**B) FINDING – FINANCIAL STATEMENT AUDIT**

**2006-1 SEGREGATION OF DUTIES**

**Observation:** There is not sufficient segregation of duties to have effective internal control. The finding results from the small size of the organization. These limitations allow no opportunity for meaningful segregation of duties.

As a result of this observation, management implemented the following:

- Segregated responsibility for funds received by mail to personnel independent of accounting and bank deposit functions,
- Collection of cash at events involves two individuals,
- Bank reconciliations are performed by a contracted accountant,
- The Treasurer reviews the following:
  - Check disbursements and related supporting documentation,
  - Monthly bank statements and related reconciliations,
  - Monthly financial statements, including detailed general ledger review,
  - Monthly and year-to-date financial statements of operations with budget comparison,
  - Monthly balance sheets with comparison to the prior year.

**Recommendations:** We recommend that the Council consider developing written procedures documenting the steps above. Additionally, these responsibilities could be included in the position description of the Treasurer. The purpose of written procedures would be to identify responsibilities of an incoming treasurer. Additionally, as the current terms of the finance committee members end, these procedures would be documented for the individuals assuming the governance role.



**Management's corrective action plan:** Management intends to develop a written policy to include preparation of a monthly packet including the above mentioned items with the appropriate signatures verifying approval of cash administration. Also, certain board members will be granted access to view bank activity online.

## 2006-2 FINANCIAL PERFORMANCE

**Observation:** The Council has operated at a deficit for the six years prior to 2006. Such deficits have consumed net assets. The Council's 2005 fiscal year operating deficit was approximately \$134,000. The result was a net asset balance of approximately \$85,000. At June 30, 1998, net assets totaled approximately \$831,000. Also, a majority of expense line items significantly exceeded the amounts budgeted. The operating income (deficits) and net change in cash position from 2003 through 2006 are as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Operating income (deficit)	<u>\$ (5,494)</u>	<u>\$ (142,157)</u>	<u>\$ (133,504)</u>	<u>\$ 42,143</u>
Net cash flows (deficit) from operations	<u>\$ 6,989</u>	<u>\$ (96,766)</u>	<u>\$ (158,174)</u>	<u>\$ 114,263</u>

As a result of this observation, management implemented the following:

- Increased fundraising, primarily by re-starting the membership drive which raised approximately \$51,000.
- Evaluated personnel functions to reduce personnel and related expenses. Management also reviewed on-going expenses for appropriate reduction.
- Hired a new Chief Executive Officer/Executive Director. His salary is partially funded by other community organizations.
- Vigorously reviewed financial performance during the year to monitor improvements to financial position and operating performance.

**Recommendations:** Management should continue its efforts to improve financial position and operating performance. Additionally, management should consider targeting goals to be achieved for the next three years for increasing net assets and working capital to an appropriate level.

**Management's corrective action plan:** Management intends to continue to review financial performance so that operating deficits are avoided and financial position is improved.

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**SCHEDULE OF PRIOR YEAR FINDINGS**

For the year ended June 30, 2006

**2005-1 SEGREGATION OF DUTIES**

**Prior year finding:**

This finding has been reclassified at 2006-1.

**2005-2 FINANCIAL PERFORMANCE**

**Prior year finding:**

This finding has been reclassified at 2006-2.



**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY AND STATISTICAL INFORMATION**

Board of Directors  
Arts Council of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

Our report on our audit of the basic financial statements of the **ARTS COUNCIL OF GREATER BATON ROUGE, INC.** (a non-profit corporation) appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules 1 and 2 and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
October 28, 2006

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**COMBINING SCHEDULE OF FINANCIAL POSITION**

June 30, 2006

**ASSETS**

	<u>Arts Council</u>	<u>Community Funds for the Arts</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 115,833	\$ 209,288	\$ 325,121
Receivables:			
CFA Campaign, net	-	196,605	196,605
Grants and other	149,335	-	149,335
Intercompany balance	13,106	(13,106)	-
Prepaid expenses	<u>2,376</u>	<u>-</u>	<u>2,376</u>
Total current assets	280,650	392,787	673,437
<b>RESTRICTED ASSETS</b>			
Restricted cash	5,454	-	5,454
<b>EQUIPMENT, net</b>	<u>25,603</u>	<u>-</u>	<u>25,603</u>
Total assets	<u>\$ 311,707</u>	<u>\$ 392,787</u>	<u>\$ 704,494</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 2,350	\$ 56	\$ 2,406
Due to grant recipients	-	365,291	365,291
Accrued expenses and other liabilities	15,900	431	16,331
Deferred revenues	<u>186,788</u>	<u>600</u>	<u>187,388</u>
Total current liabilities	205,038	366,378	571,416
<b>ASSETS HELD FOR OTHERS - Payable from restricted assets</b>	<u>5,454</u>	<u>-</u>	<u>5,454</u>
Total liabilities	<u>210,492</u>	<u>366,378</u>	<u>576,870</u>
<b>NET ASSETS</b>			
Unrestricted	101,215		101,215
Temporarily restricted	<u>-</u>	<u>26,409</u>	<u>26,409</u>
Total net assets	<u>101,215</u>	<u>26,409</u>	<u>127,624</u>
Total liabilities and net assets	<u>\$ 311,707</u>	<u>\$ 392,787</u>	<u>\$ 704,494</u>

**ARTS COUNCIL OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**COMBINING SCHEDULE OF ACTIVITIES**

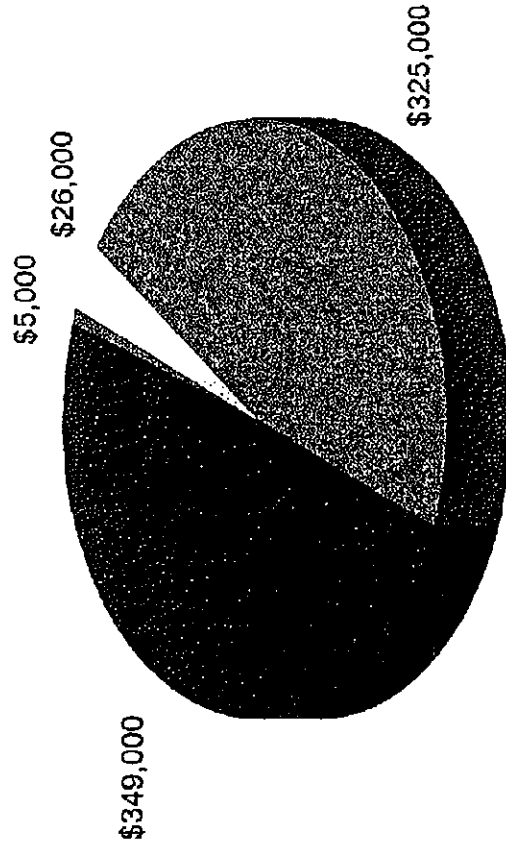
For the year ended June 30, 2006

	<u>Arts Council</u>	<u>Community Funds for the Arts</u>	<u>Total</u>
<b>SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>			
<b>Contributions</b>			
CFA Campaign and Workplace Giving	\$ -	\$ 377,593	\$ 377,593
Fund Raisers/Gifts	5,110	78,560	83,670
Membership	51,113	-	51,113
CFAC Gala, net of expenses	28,412	10,000	38,412
In-kind contributions	<u>6,710</u>	<u>-</u>	<u>6,710</u>
	<u>91,345</u>	<u>466,153</u>	<u>557,498</u>
<b>Grants and Contractual Services</b>			
Municipal/parish	138,016	-	138,016
State of Louisiana	511,572	-	511,572
Community Fund for the Arts	50,721	-	50,721
School System and other	<u>34,805</u>	<u>-</u>	<u>34,805</u>
	<u>735,114</u>	<u>-</u>	<u>735,114</u>
<b>Other</b>			
Interest	1,823	-	1,823
Special events, net of expenses	55,293	-	55,293
Miscellaneous	<u>91,335</u>	<u>-</u>	<u>91,335</u>
	<u>148,451</u>	<u>-</u>	<u>148,451</u>
<b>Total support, revenue and reclassifications</b>	<u>974,910</u>	<u>466,153</u>	<u>1,441,063</u>
<b>EXPENSES</b>			
Grants to CFA - recipient organizations	-	286,731	286,731
Designated CFA sponsorships	-	78,560	78,560
Programs and development	673,967	-	673,967
General and administrative	<u>285,209</u>	<u>74,453</u>	<u>359,662</u>
<b>Total expenses</b>	<u>959,176</u>	<u>439,744</u>	<u>1,398,920</u>
<b>Change in net assets</b>	15,734	26,409	42,143
<b>NET ASSETS</b>			
Beginning of period	<u>85,481</u>	<u>-</u>	<u>85,481</u>
End of period	<u>\$ 101,215</u>	<u>\$ 26,409</u>	<u>\$ 127,624</u>

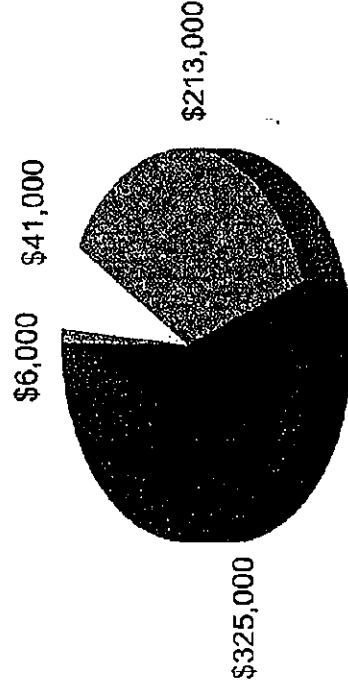
## **STATISTICAL INFORMATION**

# ARTS COUNCIL OF GREATER BATON ROUGE, INC.

## TOTAL ASSETS



JUNE 30, 2006



JUNE 30, 2005

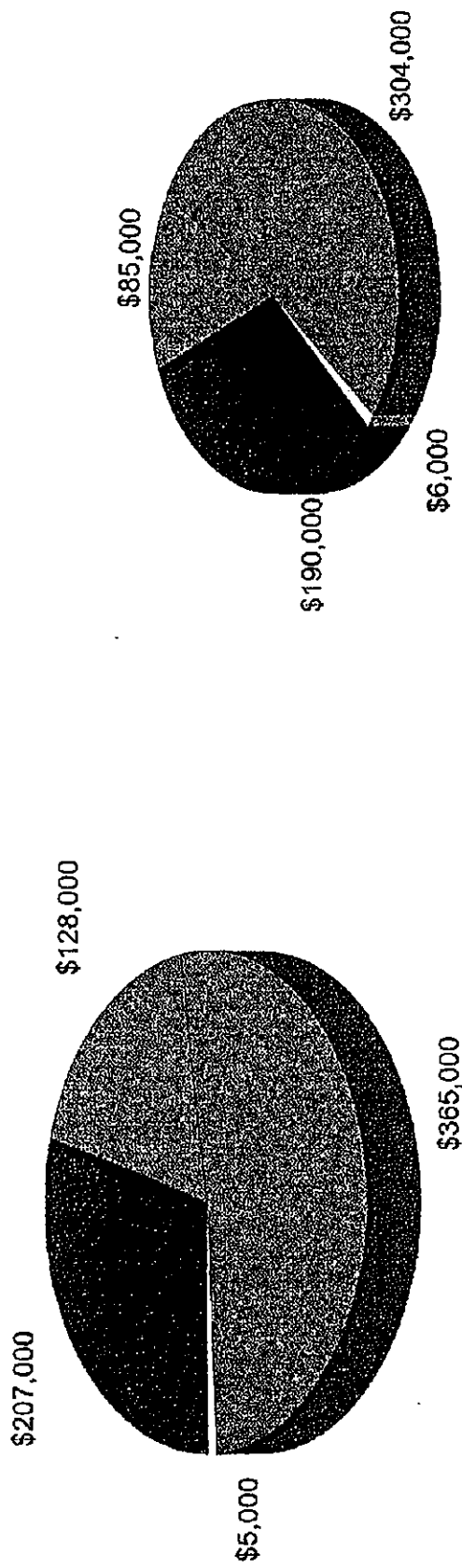
■ CASH & INVESTMENTS	■ RECEIVABLES & OTHER
■ RESTRICTED ASSETS	■ EQUIPMENT

TOTAL ASSETS = \$ 705,000

TOTAL ASSETS = \$ 585,000

# ARTS COUNCIL OF GREATER BATON ROUGE, INC.

## LIABILITIES AND NET ASSETS



JUNE 30, 2006

JUNE 30, 2005

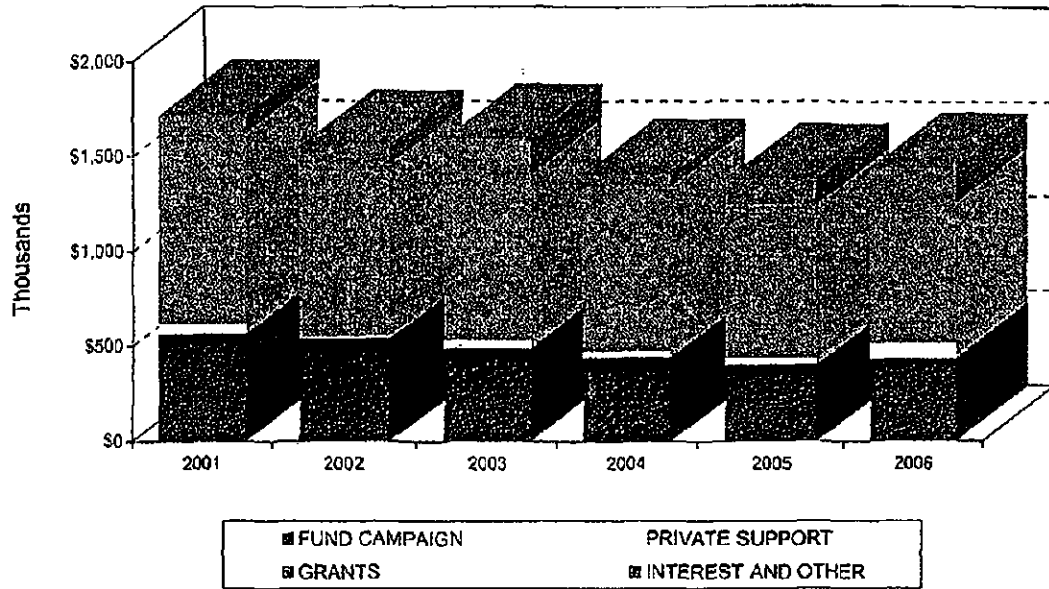
	ASSETS HELD FOR OTHERS
■ DUE TO GRANT RECIPIENTS	■ NET ASSETS
■ OTHER LIABILITIES	
TOTAL LIABILITIES = \$ 577,000	
TOTAL NET ASSETS = \$ 128,000	
TOTAL LIABILITIES = \$ 500,000	
TOTAL NET ASSETS = \$ 85,000	



## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

### SUPPORT AND REVENUE

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## ARTS COUNCIL OF GREATER BATON ROUGE, INC.

### EXPENSES

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